



City of  
**San Bernardino**

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# **San Bernardino American Rescue Plan Act (ARPA) Program**

COVID-19 Related

Small Business Grant Program

Round Two

**Guidelines**

## **Program Overview**

### *About the Program*

As part of the American Rescue Plan Act (ARPA) initiative, the City of San Bernardino (the City) has partnered with the Inland Empire Small Business Development Center (SBDC) to offer the Small Business Grant Program, Round Two (Grant Program). The Grant Program will provide free consultations and funding to small businesses needing financial assistance in overcoming the loss of revenue due to the COVID-19 pandemic. All eligible businesses are invited to apply. Businesses which have previously received alternative sources of funding such as the Economic Injury Disaster Loan (EIDL), Paycheck Protection Program (PPP) Loan, State, or County of San Bernardino grants are eligible to apply. Businesses that received grant funding during the first round of the San Bernardino ARPA-Funded grant program are **not** eligible to apply. The program is based on the availability of funds, program guidelines, and submission of all required information and supporting documentation. Small businesses, including home-based businesses, with a maximum of five hundred (500) employees (full and part-time) may be eligible to receive a working capital grant after attending a free, mandatory, one-on-one consulting session with SBDC. The grant may be used for working capital to cover the day-to-day business operating expenses such as rent/lease payments, mortgage payments, payroll and benefit costs, utility expenses, inventory, Personal Protection Equipment (PPE) or other similar expenses that occur in the ordinary course of operations.

### *Funding Availability*

In May 2021, the U.S. Department of Treasury allocated funds from the American Rescue Plan Act of 2021 (ARPA) to the City of San Bernardino for COVID-19 response, relief, and reinvestment. The City Council allocated up to three million dollars (\$3,000,000) for the Small Business & Non-Profit Training & Grant Program. In the first round of funding, \$2,575,000 was successfully issued in grants to 87 local small businesses and 18 non-profit organizations. The \$425,000 in remaining funds will be used for this Round Two Grant Program for small businesses. These funds are to be used to mitigate financial hardship caused by declines in revenues due to the COVID-19 public health emergency.

The City's Economic Development Department will be responsible for oversight of the Grant Program and disbursement of funds will take place through the City's Finance Department. The City's Program Partner, the SBDC, will be responsible for program administration, application processing, one-on-one consulting, and for review and approval of financial and business documentation for disbursement approval. City staff are obligated to fulfill the terms and conditions of the funds as established by the City Council, these program guidelines, and Federal, State, and local rules and regulations.

### *Grant Award*

- For Profit Small Business - \$10,000 - \$20,000

ELIGIBLE BUSINESS GROSS REVENUE (2019, 2020, 2021, or 2022 taxable year)	GRANT AWARD AVAILABLE PER BUSINESS
Annual gross revenue under \$50,000	\$10,000
Annual gross revenue equal or greater than \$50,000 up to \$2,500,000	\$20,000

### *Program Description*

The Small Business Grant Program, under SBDC's leadership and training, is aimed at assisting small businesses with driving their organizations to the next level. During the free business consultation period, business owners will work on putting together their path towards growth as they evaluate and develop their metrics, benchmarks, teams, financials, triggers, and strategies to reach the next level of growth. Trainees will learn how to de-risk expansion and get involved in proactive growth.

### *Program Structure*

- Completion of one (1) mandatory 1:1 free business consultation meeting with an SBDC consultant as part of this program (no previous 1:1 consultation with SBDC may substitute)

### *City Reserved Rights*

The City reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to modify the application deadlines; (4) to request additional information of the applicants as deemed necessary and appropriate by the City; (5) to conduct further due diligence with applicants or any third party; (6) to modify the City's objectives or the scope of the program; (7) to modify program requirements, general terms and conditions, or eligible activities; and/or (8) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

## **Eligibility**

To be eligible to apply for the Small Business Grant Program, a business must meet certain criteria that has been established by the City of San Bernardino and the guidelines set forth by the U.S. Department of Treasury for utilizing ARPA funds. The business must also demonstrate the need for financial support resulting from the loss of revenue due to the impact of COVID-19.

### *General Terms and Conditions*

The business applicant must meet the following minimum requirements to be considered for grant funding:

- 1) The business must be physically located in the City of San Bernardino;
- 2) Be a “small business” defined as having fewer than 500 employees, OR be a “home-based business,”
  - a) The Applicant acknowledges and agrees that if the Applicant receives a grant and the Applicant’s organization ceases to operate, the Applicant may be subject to return all or any portion of such grant.
- 3) Residential or real estate projects including short-term rental operators and real estate agents, car washes, storage facilities, smoke shops, adult stores, and gas stations are not eligible;
- 4) Have an active San Bernardino Business License and/or Home Occupation Permit since at least May 11, 2023 (The federal COVID-19 public health emergency declaration ended on May 11, 2023), or prior at the time of the application;
- 5) The business must be in good standing with the City (current on bills, no liens or judgements, etc.), unless directly correlated to COVID-19 impacts;
- 6) The business must not be suspended or debarred or otherwise excluded from receiving Federal funding;
- 7) The business must complete the required consultation;
- 8) The business must submit the application and all required supporting documentation; and
- 9) The business applicant must certify that they were negatively impacted by the COVID-19 pandemic. Examples of a business being negatively affected by the pandemic include, but are not limited to:
  - a) A decrease of 25% or greater in sales.
  - b) The business has had to lay off at least one of its employees (Full or Part time).
  - c) One or more of the employees in the business have contracted COVID-19, while at work.
  - d) Qualified as an “underserved small business group” (if this is satisfactorily met, no other hardship must be provided).
    - i) Women, minorities (people of color), veteran-owned business where the majority (at least 51%) of the business is owned and run on a daily basis by said group(s)
    - ii) Businesses operating in “low-to-moderate income (LMI)” or “qualified census tract” communities
      - (1) “Low-to-Moderate Income (LMI)” or “qualified census tract” means any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60 percent of the Area Median Gross Income (AMGI), or which has a poverty rate of at least 25%.

\* City employees and elected and appointed officials are not eligible to participate in this program.

### *Eligible Activities*

Eligible activities for the use of funds should be used to cover fixed expenses for the business. The primary fixed expenses include such items as rent or mortgage expense, utilities, inventory, payroll and benefit costs, PPE, or other operational expenses for the business. Applicants will fill out a section of the application form that will breakdown how the funds will be spent within their business (“Spending Plan”). Each applicant will need to sign and verify that the use of funds will be spent on business expenses, such as those expressed above. Any use of funding other than that to support the business is strictly prohibited and may result in the applicant being subject to return all or any portion of such grant.

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency. In the event a business does not expend the funds in the manner consistent with the Spending Plan as outlined in the application or does not expend the entire grant amount, the business will be required to submit a report to the City no later than December 31, 2024, identifying how the funds were spent. If there is a remaining balance, the business may be required to return the funds to the City.

The following is a nonexclusive list of expenditures that shall *not* constitute Eligible Expenses payable from the grant amount:

- (1) Damages covered by insurance.
- (2) Expenses that have been or will be reimbursed or recovered through other funding programs, such as the reimbursement by the federal government pursuant to the CARES Act or contributions by States to State unemployment funds.
- (3) Reimbursement to donors for donated items or services.
- (4) Workforce bonuses other than hazard pay or overtime.
- (6) Severance pay.
- (6) Legal expenses or settlements.
- (7) Debt service or loan repayment.

### **Equal Opportunity Policy**

The City of San Bernardino and the SBDC shall not discriminate upon the basis of sex, age, race, creed, color, religion, national origin, marital status, ancestry, or physical handicap in accepting applications and processing program applications.

### **Application Process**

#### *Application*

The Small Business Grant Program, Round Two application includes information about the small business, the number of employees in the business, location of the business, amount of time in business, a Spending Plan, and demographic questions of the owner. The application and Grant Agreement will require the following Attestations:

- The business was negatively impacted by the COVID-19 pandemic.
- As of a minimum of six months prior to application, the small business, including home-based businesses, has a maximum of five hundred (500) employees (full and part-time); and is operating within city limits.
- Certification that the business is able to produce financial records to show the economic losses, if requested.
- Certification that financial loss and grant amount spending records will be available for audit when requested. The business must maintain records through December 31, 2029.

### *Application Period*

The business grant application will be available in English and Spanish starting at **9:00 am on Wednesday, May 1, 2024**. Applicants must apply for the grant program by visiting [https://www.sbcity.org/city\\_hall/community\\_economic\\_development/economic\\_development](https://www.sbcity.org/city_hall/community_economic_development/economic_development) and submitting the application online through the SBDC portal.

The City anticipates the number of applications will exceed the amount of funding available for disbursement. The City will disburse grants until all funds are depleted.

Applications will be received on a first-come, first-serve basis. Eligible applicants will be notified immediately after their eligible SBDC consultation is completed and will then be asked to submit any remaining required business and financial documentation for review and verification. Once applications have been pre-approved based on eligibility, they will be assigned priority for award upon completion of all requirements. Completion of the mandatory consultation and completed submission of requested documentation constitutes the applicant's first-come, first-serve priority in being selected to receive funding.

### *Documentation Requirements*

The applicant will be required to submit the following documents for review and verification in order to receive the grant:

- Complete grant application;
- An acceptable form of government-issued photo ID provided as a PDF only;
- Certificate of Insurance;
- Current copy of San Bernardino City Business License and license number;
- W-9;
- The most recent monthly bank statement;
- Most recent federal tax return filed, and tax return used for proof of revenue;
- Planned use of funds form (Spending Plan);
- A signed City of San Bernardino Small Business Grant Agreement, which includes business impact statement and self-certification;
- Information about the small business, including but not limited to, the number of employees, location, demographics of owner, and identification of an owner; and
- Acknowledgment and self-certification of the program requirements and documentation should they be selected to proceed in the application process.

In addition, applicants must self-certify:

For for-profit businesses:

The Applicant understands that it is ineligible to receive a grant under the Program if any owner of greater than 10% of the equity interest in the Applicant: (i) has within the prior three-years been convicted of or had a civil judgment rendered against such owner, or has had commenced any form of parole or probation (including probation before judgment), for (A) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, (B) violation of federal or state anti-trust or procurement statutes, or (C) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; or (ii) is presently indicted for or otherwise criminally or civilly charged by a government entity, (federal, state or local) with commission of any of the offenses enumerated in subparagraph (i) above.

Although selection is not guaranteed, businesses should begin to collect the required documentation in order to expedite the approval process in the event they are selected.

## **Grant Review and Approval Process**

### *Review*

The application will be reviewed by the SBDC to determine application completeness and preliminary eligibility. **The application must be complete to be considered eligible.**

### *First-come, First-serve*

The City of San Bernardino is expecting the Small Business Grant Program, Round Two to have a significant number of applications. Completion of the mandatory consultation and completed submission of requested documentation constitutes the applicant's priority in being selected to receive funding. Applicants will not be added to the first-come, first-serve queue until all requirements are completed.

Applicants will receive directions on how to schedule a one-on-one consultation and how to submit required documentation. It is the responsibility of the applicant to ensure required steps are completed in order to remain eligible for funding.

Consultations and document submission **must be completed within thirty (30) days** of the initial application submission date through the SBDC portal. Should an applicant not meet application requirements within 30 days of their application submission, they will be dropped from the review process. If an applicant is dropped from the process for not adhering to this deadline requirement, they are eligible to submit an application again under these same guidelines to restart the process.

### *Verification and Eligibility Determination*

The SBDC shall request the applicant submit all required documentation for review and verification for grant approval. SBDC will assign a consultant to work with each individual applicant to assist with completing all required documentation. Applicant's documentation will be submitted directly to SBDC on a secured site. SBDC will perform verification of applicant's documentation in accordance with these guideline requirements. If documents are not submitted in a timely manner, the applicant will be dropped from the process.

### *Grant Disbursement*

The application will be open on a rolling basis until all funds have been disbursed to depletion. Only one grant will be issued per applicant, per person, per business, per entity, whichever is the lesser. No business that received funding in the first round ARPA-funded grant program is eligible. A business cannot receive funding from both the round-two grant and a façade improvement grant from the ARPA-funded program. All grant funds must be dispersed by the deadline given in the ARPA guidelines. From the time the award decision is approved and an applicant is notified, the City has ninety (90) business days to complete payment through the designated payment method. Awardees will be expected to pick up their grant check in person.

### *Grant Report*

Eligible expenses are considered necessary expenditures that provide economic support in connection with the COVID-19 public health emergency. In the event a business does not expend the entire grant amount, the business may be required to return the remaining balance.

The business recipient shall keep documentation evidencing use of the Grant Funds. The City may request to evaluate the business's compliance with the Grant program. If it is determined the business did not expend the funds consistent with the Eligible Activities or as described in the Spending Plan, it may constitute an Event of Default under the Grant Agreement.

### *Post Grant Follow Up*

The SBDC will continue to work with each grantee throughout the next twelve (12) months. If contacted by the City or SBDC, all awardees will be required to update the City on their business and if additional employees have been hired or employees retained. A twelve-month report may be created by the SBDC and the City of San Bernardino to document the success of the program. By acceptance of the grant, the business agrees to comply with City information requests that may include use of photos or business logos.

### *Program Complaint and Appeal Process*

Complaints concerning the Small Business Grant Program should be made to the City of San Bernardino Economic Development Department. If unresolved in this manner, the complaint or appeal shall be made in writing and filed with the City Manager's Office.

*City Reserves Rights*

The City reserves the unqualified right, in its sole and absolute discretion at any time: (1) to amend or terminate this program with no recourse for any proposing applicant; (2) to choose or reject any or all applications received in response to this program; (3) to modify the application deadlines; (4) to request additional information of the applicants as deemed necessary and appropriate by the City; (5) to conduct further due diligence with applicants or any third party; (6) to modify the City's objectives or the scope of the program; (7) to modify program requirements, general terms and conditions, or eligible activities; and/or (8) to disqualify any proposing applicant on the basis of any real or perceived conflict of interest that is disclosed or revealed by materials submitted or by any data available to the City.

**Contact Information**

For additional information regarding the Round Two Small Business Grant Program, please contact the following:

**City of San Bernardino**  
**[Economic Development Department](#)**  
201 North E Street, 3<sup>rd</sup> Floor  
San Bernardino, CA 92401  
[EconDev@sbcity.org](mailto:EconDev@sbcity.org)

For questions about the guidelines and application or assistance in completing the application, please contact the SBDC at:

**Paul Nolta,**  
**Director**  
**[Inland Empire SBDC at CSUSB](#)**  
951-781-2345 office  
[PNolta@iesmallbusiness.com](mailto:PNolta@iesmallbusiness.com)